



October 15, 2014

Item No. 6

AUTHORIZATION TO: 1) SUBMIT A DEVELOPMENT PROPOSAL AND EVIDENTIARY DOCUMENTS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; 2) COMMIT CHICAGO HOUSING AUTHORITY FUNDS NOT TO EXCEED \$4,472,050 TO CASA QUERETARO LP OR RELATED ENTITY 3) APPROVE A TENANT SELECTION PLAN, LEASE, AND LEASE RIDERS FOR THE DEVELOPMENT TO BE KNOWN AS CASA QUERETARO APARTMENTS, AND AMEND THE CHA ADMISSIONS AND CONTINUED OCCUPANCY POLICY TO INCORPORATE SUCH DOCUMENTS AS AN ADDENDUM THERETO; AND 4) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING.

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) authorize the Chief Executive Officer (CEO) or his designee to: 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$4,472,050 to Casa Queretaro LP or related entity; 3) Approve the Tenant Selection Plan, lease, and lease riders for the development to be known as Casa Queretaro Apartments (Casa Queretaro), and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The Chief Housing Officer, Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL #1

The proposed development supports CHA's corporate goal to reimagine the final Phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant communities.

Funding

Not to Exceed \$4,472,050 in CHA Moving To Work (MTW) funds.

M/W/DBE & Section 3 PARTICIPATION: Compliance Affidavit on File

77.82% M/W/DBE Direct Participation

Section 3

(#) Hiring 17 (\$) Subcontracting 10.93 (%) Other Economic Opportunities

GENERAL BACKGROUND

Casa Queretaro will be a single phase, mixed-income rental development to be built upon a vacant parcel of land owned by the City of Chicago and located at 1614 S. Damen Avenue in the Pilsen community. This development will be an extension of the developer's broader affordable housing commitment to create healthy communities for its residents through education, organizing, and community development. Casa Queretaro will consist of 15 public housing units and 30 affordable units, with a total of 45 units within a four-story elevator building. The Casa Queretaro bedroom and income mix will consist of the following:

Unit Type	Public Housing	Affordable	TOTAL
1 BR	8	9	17
2 BR	7	11	18
3 BR	0	10	10
TOTAL	15	30	45

DEVELOPMENT ENTITIES

The developer for Casa Queretaro is The Resurrection Project (TRP), an Illinois not-for-profit corporation. TRP was approved by CHA's Board of Commissioners on December 17, 2013 as a pre-qualified developer under CHA's mixed finance development program. Casa Queretaro will be owned by Casa Queretaro LP (Owner Entity). Casa Queretaro Apartments Corporation, NFP is the general partner of the Owner Entity. An equity investment partnership owned or controlled by National Equity Fund, Inc. (NEF) will be the Investor/Limited Partner.

FINANCING

The total estimated development budget for Casa Queretaro is approximately \$15,460,187 and includes the CHA Loan of approximately \$4,450,000 to be funded with CHA MTW funds. Additional project sources include approximately \$22,050 of CHA MTW funds for CHA Administration and CHA Initial Operating Deficit Reserve.

TENANT SELECTION PLAN

The proposed resolution is to approve the form of Tenant Selection Plan, lease, and lease riders to be used for Casa Queretaro. It is understood that the developer has an interest and desire to implement its own lease forms and policy that encourages consistent community standards for the effective management of its development.

CONCLUSION

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$4,472,050 to Casa Queretaro LP or related entity; 3) Approve the Tenant Selection Plan, lease, and lease

riders for the development to be known as Casa Queretaro Apartments (Casa Queretaro), and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The CEO/President recommends the approval to 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$4,472,050 to Casa Queretaro LP or related entity; 3) Approve the Tenant Selection Plan, lease, and lease riders for the development to be known as Casa Queretaro Apartments (Casa Queretaro), and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

RESOLUTION NO. 2014-CHA-103

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 15, 2014 entitled "Authorization to: 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$4,472,050 to Casa Queretaro LP or related entity; 3) Approve the Tenant Selection Plan, lease, and lease riders for the development to be known as Casa Queretaro Apartments (Casa Queretaro), and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to: 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$4,472,050 to Casa Queretaro LP or related entity; 3) Approve the Tenant Selection Plan, lease, and lease riders for the development to be known as Casa Queretaro Apartments (Casa Queretaro), and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

This award is subject to each Contractor's compliance with CHA's MBE/WBE/DBE, Section 3 resident hiring, bonding and insurance requirements.



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OCCUPANCY POLICY—APPENDIX ____

THE CHICAGO HOUSING AUTHORITY’S ADMISSION AND CONTINUED OCCUPANCY POLICY IS HEREBY AMENDED TO INCORPORATE AS ADDITIONAL APPENDICES THE FORM OF tenant selection plan, lease, AND lease riders FOR THE CASA QUERETARO DEVELOPMENT. THESE FORMS SHALL BE APPENDED AFTER IMPLEMENTATION AND ADOPTION. THESE DOCUMENTS AMEND THE CHA’S ADMISSIONS AND CONTINUED OCCUPANCY POLICY WITH RESPECT TO PUBLIC HOUSING RESIDENTS THAT WILL RESIDE IN the CASA QUERETARO MIXED-INCOME Development.

THE CHAIRPERSON OF THE BOARD OR THE CHIEF EXECUTIVE OFFICER IS HEREBY AUTHORIZED TO APPROVE ANY FINAL CHANGES IN THESE FORMS, INCLUDING, BUT NOT LIMITED TO, CHANGES BASED ON HUD REQUIREMENTS, OR RESULTING FROM ANY APPLICABLE NOTICE AND COMMENT PROCESS. SUCH APPROVAL SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF THE BOARD’S APPROVAL OF ANY AND ALL SUCH CHANGES.

To the Honorable Board of Commissioners: